

Message Text

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ACTION EUR-25

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E.O. 11652: N/A

TAGS: ECRP, EFIN, ENRG, MT

SUBJ: FURTHER MINTOFF REMARKS ON BUDGET

REF: VALLETTA 590 (NOTAL)

1. SUMMARY: P.M. MINTOFF WAS LAST TO SPEAK BEFORE THE VOTE TO CONSIDER THE 74/75 BUDGET ESTIMATES IN COMMITTEE. HE SEIZED OPPORTUNITY TO EMBARRASS OPPOSITION LEADER BORG OLIVIER AND ALSO SPOKE ON FORMER NATIONALIST PROJECTS, THE NATIONAL DEBT, THE ENERGY CRISIS AND PERMANENT RESIDENTS, ET AL. END SUMMARY.

2. MINTOFF BEGAN BY MAKING PRESENT TO NATIONALIST LEADER BORG OLIVIER, WHO THE DAY BEFORE HAD COMPLAINED HE COULD NOT FIND A PACKET OF COTTON WOOL. MINTOFF SAID IT WAS NOT TRUE TO SAY THERE WAS A COTTON WOOL SHORTAGE. INDEED IT IS PRODUCED IN MALTA AND EXPORTED TO LIBYA. HE HAD THAT MORNING OBTAINED A PACKET OF COTTON WOOL NOT FAR FROM B.O.'S RESIDENCE AND WOULD GIVE IT TO HIM.

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3. REFERRING TO THE MAJOR PROJECTS WHICH THE FORMER NATIONALIST GOVERNMENT USED TO TALK ABOUT, I.E., THE FREE PORT PROJECT, THE MANOEL ISLAND DEVELOPMENT PROJECT AND THE AIR MELITA SCHEME, MINTOFF SAID THEY "HAD BEEN UNDERTAKEN BY CROOKS..." MINTOFF SAID MALTA'S NATIONAL DEBT STOOD AT 5.3 MILLION MALTA POUNDS AT END OF MARCH 1962. BY END OF MARCH 1971 THIS FIGURE HAD RISEN TO 43.4 MILLION MALTA POUNDS. HIS GOVERNMENT, HOWEVER, HAD REDUCED THE DEBT TO 36.5 MILLION MALTA POUNDS.

4. ON THE ENERGY CRISIS MINTOFF SAID GOM ESTIMATED THAT COMBINED PRICES FOR GASOLINE, DIESEL, GAS AND OTHER PETROLEUM PRODUCTS LANDED IN MALTA TOTALLED 40 MALTA POUNDS (1 MALTA POUND EQUALS APPROXIMATELY DOLS. 2.64) PER TON, WHICH HE SAID WAS EQUIVALENT TO DOLS 10 PER BARREL OF CRUDE. GOM, HOWEVER, IS PAYING (LIBYA) MORE THAN DOLS 10 FOR CRUDE OIL AND THE DIFFERENCE BETWEEN THE PRICE PAID DIRECTLY BY THE CONSUMER AND WHAT THE CONSUMER PAID INDIRECTLY AMOUNTED AT CURRENT MARKET PRICES TO 7 MILLION MALTA POUNDS PER YEAR. WHILE HE WAS NOT OPTIMISTIC ABOUT THE PRICE OF PETROLEUM GOING DOWN, HE SAID HIS GOVERNMENT HAD TO CONSIDER WHERE THE 7 MILLION WHICH IS NOT COVERED AT 40 POUNDS PER TON WOULD COME FROM. COMMENT: THIS IS OBVIOUSLY AN EMBARRASSING AND POLITICALLY SENSITIVE SUBJECT FOR MINTOFF. ERGO THE LACK OF CLARITY IN HIS EXPLANATION. IT WOULD SEEM, NEVERTHELESS, THAT THE ITALIAN REFINERY IS PROVIDING PETROLEUM PRODUCTS AT A PRICE WHICH IS LOWER THAN THE PRICE MINTOFF MUST PAY LIBYA TO REPLACE THE CRUDE OIL REFINED BY THE ITALIANS FOR MALTA.

5. MINTOFF CRITICIZED PREVIOUS NATIONALIST ADMINISTRATION FOR NOT MAKING GREATER EFFORTS TO DEFINE MALTA' MEDIAN LINE WITH ITALY, LIBYA AND TUNISIA. HE SAID HIS GOVERNMENT WAS READY TO GO AHEAD WITH A NEW OFFSHORE DRILLING PROGRAM (PRESUMABLY MEDINA BANK SOUTHEAST OF MALTA), BUT NO RPT NO PROGRESS CAN BE MADE BEFORE AGREEMENT IS REACHED WITH LIBYA ON THE MEDIAN LINE. COMMENT: ACCORDING TO U.N. OCEANOGRAPHY EXPERT SIDNEY HOLT, NEGOTIATIONS WITH LIBYA OVER MEDIAN LINE HAVE BEEN COMPLICATED BY LIBYA'S RECENT CLAIMS IN THE GULF OF SIRTE WHICH COULD RADICALLY CHANGE LIBYA'S BASE LINE. THIS COULD BECOME A SERIOUS MATTER AFFECTING THE BASIC NATIONAL LIMITED OFFICIAL USE

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INTEREST OF BOTH COUNTRIES AND THEIR EXTENSIVE COOPERATION IN RECENT YEARS.

6. IN AN EXCHANGE WITH OPPOSITION MEMBER G. BONELLO DU PUIS MINTOFF SAID FOREIGN RESIDENTS IN MALTA SAVED MONEY WHICH THEY SPEND ABROAD. THEY ARE "ALL NATIONALIST PARTY RPOPA-GANDISTS."

7. COMMENT: WHILE SOMETIMES TONGUE-IN CHEEK, REMARKS MADE IN PARLIAM-
MENTARY DEBATES REMAIN ONE OF BEST INDICATORS OF FRUSTRATIONS
AND ATTITUDES OF MALTA'S FAIRLY EQUALLY DIVIDED TWO MAJOR
POLITICAL PARTIES. THEY SUGGEST MINTOFF IS DETERMINED TO
CARRY OUT HIS ELECTION PLATFORM PLANK TO MAKE MALTA A SELF-
SUFFICIENT AS POSSIBLE AND IN ANY EVENT LESS
DEPENDENT ON BRITISH TIES THAN THE NATIONALIST WOULD LIKE
TO SEE.GETZ

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